

Profile of B.C.'s High-Tech Sector

Prepared by Ministry of Skills Development and Labour

January 2004

How big is B.C.'s High-tech sector?

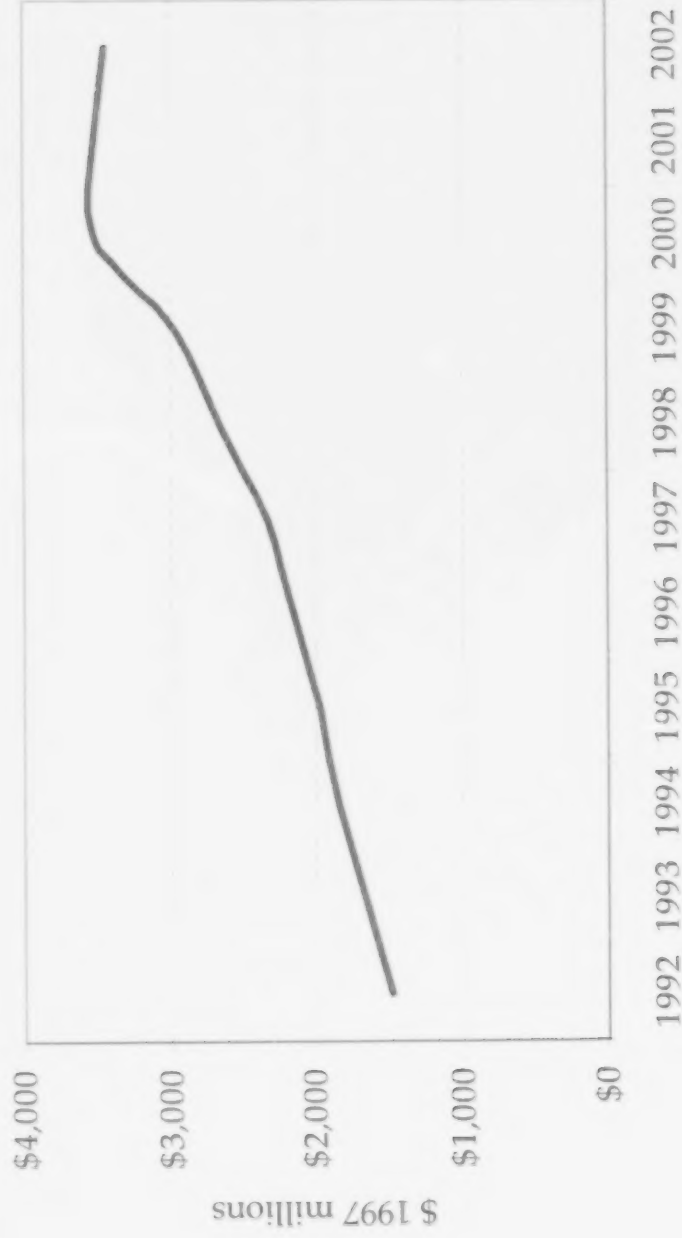
- In 2002:
 - Revenues of \$6 billion
 - Exports of \$685 million in high tech commodities, and \$1.1 billion in high tech services
 - Wage and salary bill of \$2.3 billion
- The high-tech sector shrank in 2002
 - advanced manufacturing has been affected by the global economic situation for the last two years, but exports in this are still remain at twice the levels seen in 2002.
 - The importance of the contribution of high-tech services continues to grow.

How many businesses are there in the High-tech sector?

- In 2002, there were 5,339 high-tech establishments in B.C. with employees (4% of all businesses with employees)
 - Computer & engineering services 46.6%
 - Engineering services 33.6%
 - Information services 4.6%
 - High-tech manufacturing 15.2%
- 68 % of high-tech service firms and 52% of high-tech manufacturing firms with employees have 1-4 employees.
- Self-employment is high in this sector. In 2002, in addition to the businesses with employees, there were 6,702 registered businesses with no employees.

How much economic activity does the High-tech sector generate?

British Columbia High-tech GDP (constant dollars)



Source: BC Stats

What proportion of the economy does this represent?

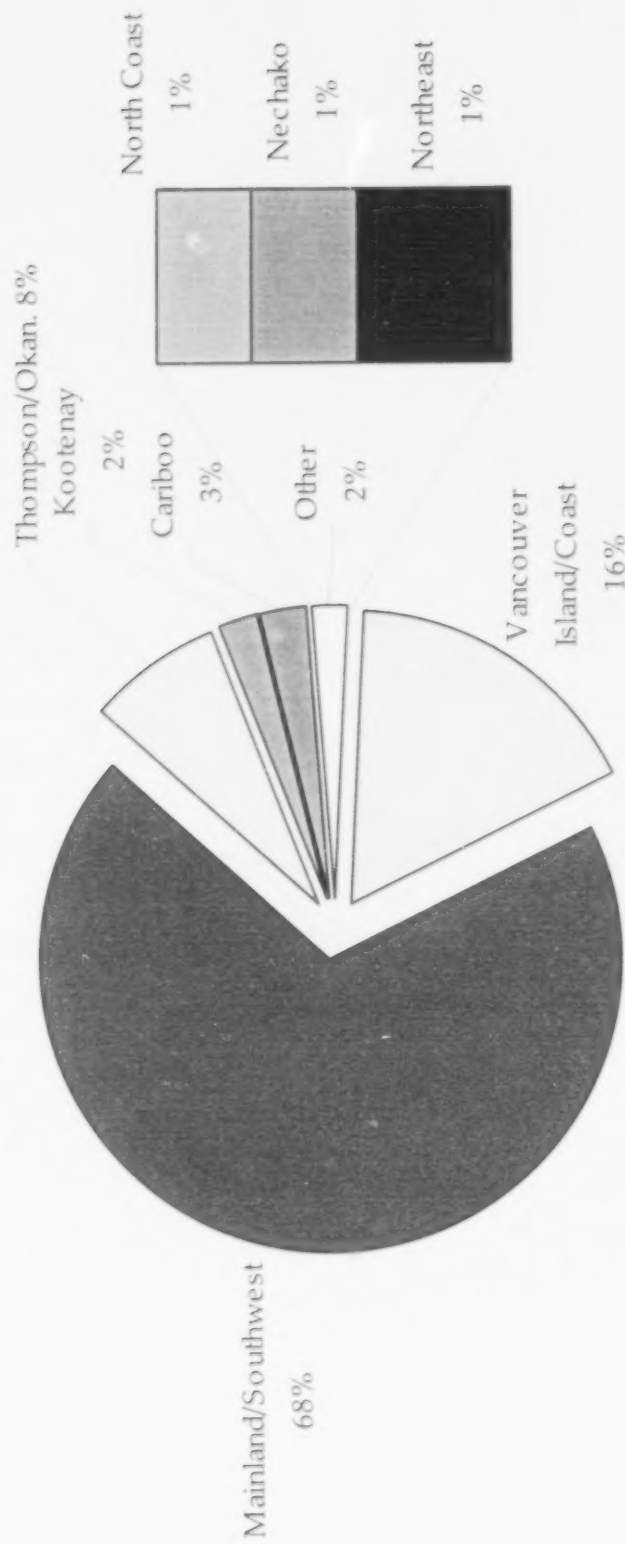
High-tech GDP as a percent of Total GDP



Source: BC Stats

Where in the province are High-tech businesses located?

Regional Distribution of B.C. High-tech firms, 2002



Source: BC Stats and Statistics Canada

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How many people are employed in B.C.'s High-tech sector?

Employment* in B.C.'s High-tech sector



* Estimates do not include self-employed

Source: BC Stats

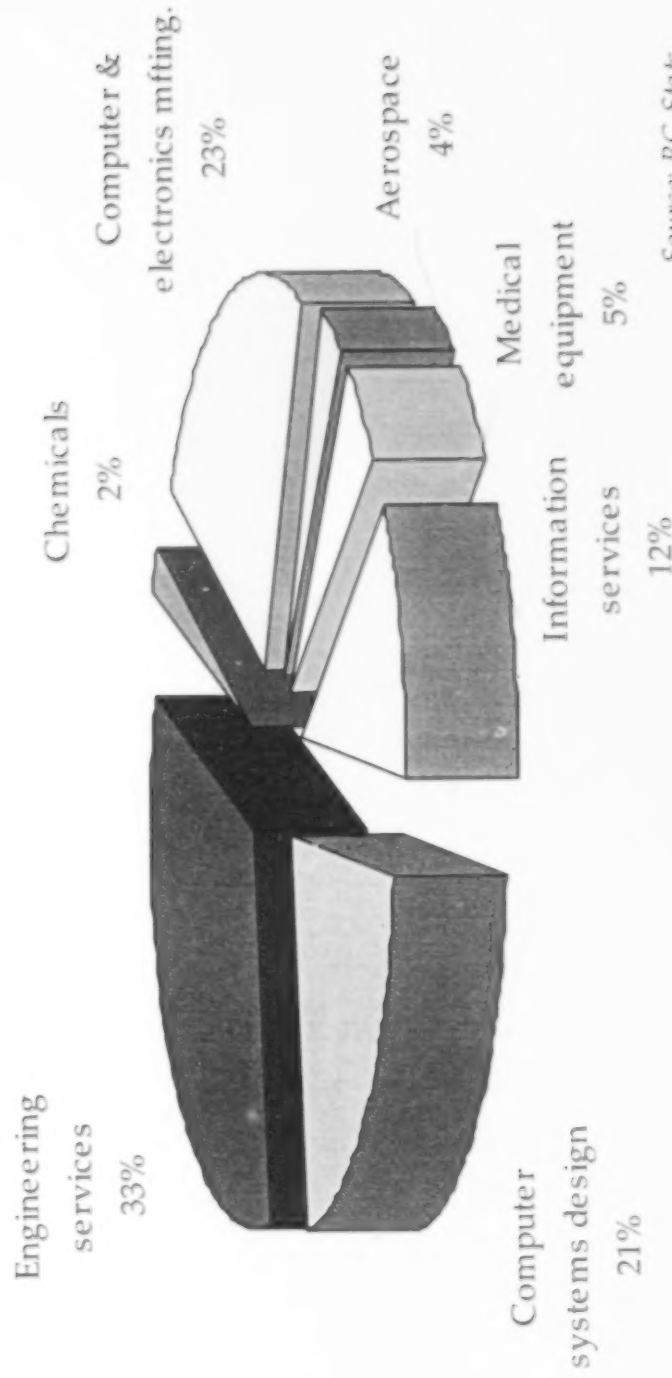
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What sectors of the economy generate high-tech employment?

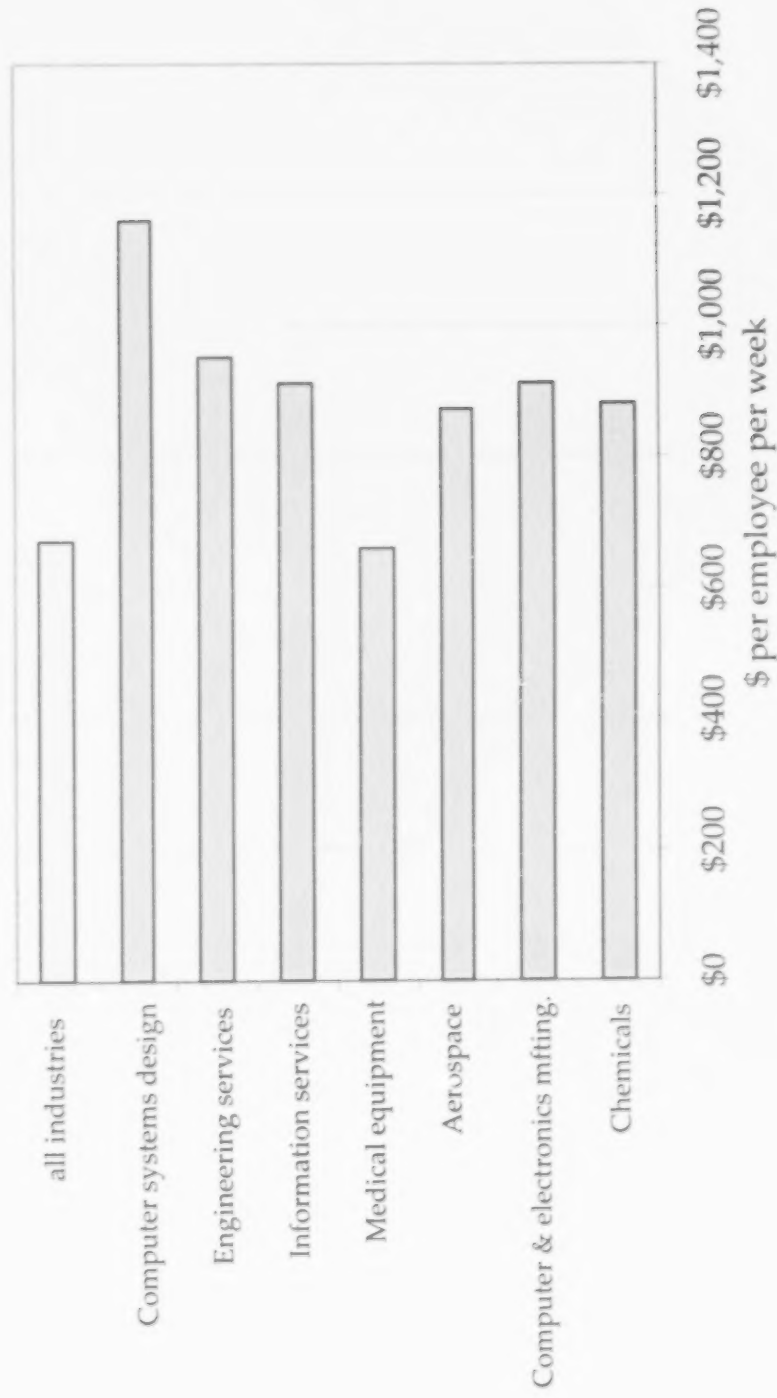
High-tech Employment by Industry Sector, 2002

Total =44,690



How much do high-tech workers earn?

Average weekly Earnings in the High tech sector



Current climate in the High-tech sector

- The high-tech sector has continued to contract in 2002, but nonetheless remains above both revenue and GDP levels of a decade ago.
 - High-tech manufacturing is suffering, while high-services are actually seeing strong growth over the past few year.
 - B.C.'s losses in 2002 were comparable to those in other provinces, except Alberta, which was the only province in 2002 to realize growth in the high-tech sector.
- Productivity in high-tech manufacturing was rising through the last 1990's, but has slipped in the early part of this decade. Some of this is due to inflationary pressure, and some due to the fact that employment cutbacks have not taken place as quickly as reduction in output.

Emerging opportunities

- Growth in exports of high-tech commodities continues to outpace total commodity exports.
- Potential for increased exports of High-tech services.
- Areas where a positive balance of trade could be realized within next 5-10 years:
 - Material design (positive until 2001)
 - Weapons & nuclear
 - Opto-Electronics
 - Biotechnology

